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An Act To Provide Sensible Options for Tax Increment Financing Proceeds in Small Towns

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 30-A MRSA §5225, sub-§1, ¶C, as amended by PL 2007, c. 413, §6, is further amended to read:

C. Costs related to economic development, environmental improvements or employment training within the municipality, including, but not limited to:

(1) Costs of funding economic development programs or events developed by the municipality or funding the marketing of the municipality as a business or arts location;

(2) Costs of funding environmental improvement projects developed by the municipality for commercial or arts district use or related to such activities;

(3) Funding to establish permanent economic development revolving loan funds or investment funds;

(4) Costs of services to provide skills development and training for residents of the municipality. These costs may not exceed 20% of the total project costs and must be designated as training funds in the development program; and

(5) Quality child care costs, including finance costs and construction, staffing, training, certification and accreditation costs related to child care; and

Sec. 2. 30-A MRSA §5225, sub-§1, ¶D, as enacted by PL 2001, c. 669, §1, is amended to read:

D. Costs of constructing or improving facilities or buildings used by State Government that are located in approved downtown tax increment financing districts; and

Sec. 3. 30-A MRSA §5225, sub-§1, ¶E is enacted to read:

E. For municipalities acting individually, or a group of municipalities acting jointly under section 5236, with a population of 1,500 or fewer persons on the last Federal Decennial Census, costs of constructing or improving municipal and regional facilities to provide governmental services or for other purposes authorized under this subsection either inside or outside of the district.

Sec. 4. 30-A MRSA §5236 is enacted to read:

§ 5236. Joint municipality options

Two or more municipalities may participate jointly in a tax increment financing district by entering into a tax base sharing agreement under chapter 223, subchapter 5, and, consistent with that agreement, may file jointly for designation of a tax increment financing district under this chapter and otherwise jointly assume the authority and obligations of a municipality acting individually.

SUMMARY

This bill clarifies the procedure for municipalities to jointly participate in a tax increment financing district and permits municipalities with a population of fewer than 1,500 persons singly or jointly to include certain regional and municipal improvements in project costs.